



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

1011 Plum Street SE - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

Faith Pettis
Board Chair

Vacant
Residential Construction Industry

Michael Richart
Residential Construction Industry

Bryan Friend
Mortgage Lending Industry

Vacant
Mortgage Lending Industry

Wanda Coats
Real Estate Sales Profession

Connie Devaney
Apartment Management & Operation Industry

Paul Purcell
For-Profit Housing Development

Kevin Grossman
For-Profit Rental Housing

Tony To
Non-Profit Housing Development

Chris Lowell
Homeless Shelter Operations

Shaw Seaman
Special Needs Populations

Joe Ingram
Low Income Housing

Mike Adolfae
At-Large/General Public

Chris Pegg
Public Housing Authorities

Obie O'Brien
Counties, Eastern WA

Hon. David Gossett
Counties, Western WA

Vacant
Cities, Eastern WA

Lauren Walker
Cities, Western WA

Jody Becker-Green
Ex-Officio, Dept. of Social & Health Services

Kim Herman
Ex-Officio, Housing Finance Commission

Dan McConnon
Ex-Officio, Dept. of Commerce

BOARD MEETING SUMMARY

Wednesday, November 28, 2012 10:00am to 12:00pm

House Hearing Room B

John L. O'Brien Building

12:30 to 2:30pm

Washington State Department of Commerce – Olympia, WA

ATTENDANCE

Faith Pettis, Dan McConnon, Kim Herman, Kevin Grossman, Paul Purcell, Mike Adolfae, Lauren Walker, Shaw Seaman, Connie Devaney, Obie O'Brien, Jody Becker-Green, Bryan Friend, Wanda Coats, Chris Pegg, Joe Ingram, and Tony To (via phone).

STAFF

Tedd Kelleher, Janet Masella, Cary Retlin and Cherish Rahikainen.

GUESTS

Leslie Price, Washington State Housing Finance Commission
Steve Walker, Washington State Housing Finance Commission

JOINT WORK SESSION WITH HOUSE CAPITAL AND HOUSE COMMUNITY & ECONOMIC DEVELOPMENT & HOUSING COMMITTEE

Faith Pettis, Dan McConnon, Kim Herman and Commerce staff presented at the Work Session. Topics included how Washington is meeting the needs of affordable housing, the Housing Trust Fund Cost-Effectiveness Report, and low-income and homeless housing assistance surcharges.

INTRODUCTIONS AND CONFIRMATION OF AGENDA

Faith Pettis

Faith summarized the agenda.

APPROVAL OF MINUTES

The September 2012 meeting summary was approved.

REPORT FROM THE CHAIR

Faith thanked Board members for attending the Joint Work Session this morning. The final Cost-Effectiveness Report has been posted to the Commerce website. Faith reported that she had committed in the legislative committee meeting that the AHAB would stay involved with the ongoing implementation of cost-effectiveness in the Housing Trust Fund.

Faith also thanked Dan and Janet for taking Board members' recommendations into consideration when finalizing the report.



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Although we convened just a few short months ago, the past several weeks have been eventful. Faith recently attended the Housing Washington Conference sponsored by the Housing Finance Commission and the Department of Commerce and joined Mercy Housing for the Columbia City Station Project Open House.

In addition, Faith and Kevin Grossman met with a prospective board member and toured a new housing project in the Wallingford area. As we are charged with a mission to find new ways to promote and invest in affordable housing, Faith shared her interest in 'aPodment' housing. This project in Wallingford was compromised of very small units with a shared kitchen that were efficiently designed in urban villages. These units do not include structured parking and offer very affordable rents.

Current vacancies:

- Residential Construction Representative – Recommendation has been put forward to the Governor's Office.
- Association of Washington Cities (Eastern) Representative – Recommendation has been put forward to the Governor Office, awaiting AWC's support.
- Home Mortgage Lending Representative – We are actively seeking candidates to fill this position. Please send any recommendations to Cherish.

REVIEW AND APPROVE PROPOSED 2013 BOARD MEETING DATES

The proposed 2013 Board meeting dates were approved:

- Wednesday, February 27 10:00am-1:00pm
- Thursday, May 9 10:00am-1:00pm
- Thursday, August 8 10:00am-1:00pm
- Thursday, November 14 10:00am-1:00pm

Cherish will secure a meeting location. If you have any ideas or contacts for a low-cost meeting room large enough for this group, please let her know.

2013 LEGISLATIVE AGENDA

The Board reviewed the updated compilation of Legislative agendas for other organizations. Faith does not want AHAB to make this list their own, but to find consensus on a few key issues that we can help strengthen support for. AHAB members discussed some of the potential items on the list that were of interest, including the Section 8 anti-discrimination legislation, surplus property, support for the Trust Fund, the administrative fee change for the Trust Fund and support for a revenue increase.

Responding to questions, Janet Masella described the Housing Trust Fund statute change. Currently, administrative money comes from the re-payment account. The proposed change would allow Commerce to collect 3 percent on new appropriations, and .25 percent annually on the value of the entire portfolio investment (currently \$900M). In the event of a capital budget shortfall, this would allow capacity for staff to continue to manage the portfolio, perform monitoring and on-site inspections, write reports, provide technical assistance, etc. and would more closely link the administrative fee to the portfolio.



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The Board voted in favor of including two items on its initial legislative agenda this year: support for funding the Trust Fund and supporting the legislative change to the Trust Fund administrative fee.

Board members would like to connect AHAB's legislative agenda to our five year plan. Cary will continue his in-depth analysis of the five high-level bills/legislative priorities and get it out to AHAB for review. If you have other thoughts, please send to Cary.

Cary will track legislative bills/issues throughout session that may be of interest to the Board, and send those to the group weekly. Faith will be asking a board member to work with Cary to further develop AHAB's legislative agenda.

Homeownership (Tony To)

On behalf of attendees of the homeownership programs stakeholder meeting at the Housing Washington Conference, Tony To summarized a letter the group wrote to Faith, which was included in the Board materials. This letter supports restoring Trust Fund funds available to homeownership programs at the historical 10-12 percent level and to support the eligibility of homeownership down payment assistance programs in future application cycles.

The Policy Advisory Team also supported the inclusion of homeownership and down payment assistance during the last round of funding. However, these were eventually left off due to the job creation focus and did not rise to the top.

Letter to Representative Dunshee

AHAB agreed that the Board or the Policy Advisory Team would write a letter to Representative Dunshee to include:

- A request to go back to the traditional Trust Fund allocation process rather than the pre-determined project list, while allowing maximum flexibility to meet local community needs; and
- Support for the Housing Trust Fund in 2013 at \$150 million.

Kim Herman, Kevin Grossman, Shaw Seaman, Chris Pegg, Joe Ingram, and Connie Devaney volunteered to draft this letter. The Board agreed to stay flexible on the content of the letter based on the outcome of a meeting between Dan and Janet and Representative Dunshee, scheduled for later in the day.¹

ANNUAL REPORT

AHAB's annual report is due on February 1 of each year. It will include progress and accomplishments made in the last year on its top three goals:

1. Preserve Existing Affordable Housing
2. Increase the Supply and Decrease the Cost of Affordable Housing
3. Decrease Homelessness

¹ Note that it was subsequently determined to indefinitely delay the letter based on discussions Representative Dunshee.



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Cary would also like to add the 4-5 legislative priorities agreed on by the Board including administrative recommendations and/or specific legislative changes.

Since the Board is not scheduled to meet again until February, Cary will coordinate via email.

NEEDS ASSESSMENT TASK FORCE REPORT

A subcommittee has been formed and has met to establish the framework for the needs assessment. The articulated goals include documenting the need for affordable housing in a concise, useful, comprehensive, replicable way. That group consists of Faith Pettis, Kim Herman, Dan McConnon, Paul Purcell, Chris Pegg, Kevin Grossman, Jody Becker-Green, Tedd Kelleher, Cary Retlin and Leslie Price.

Leslie Price presented two options for the needs study and detailed the components and data that would be used. The Board voted to move forward with Option 2: Comprehensive Needs Assessment, Affordable Housing Inventory and Housing Needs Forecast, which includes three parts:

1. Demand analysis
2. Supply analysis (rental and homeownership)
3. Needs Forecast

Commerce and the Housing Finance Commission have agreed to help fund this project and are seeking other potential funders. Leslie and Tedd will fine tune Option 2 and help to create a piece that can be presented to potential funders. The goal is to release a Request for Proposal in spring 2013 and to have a draft report ready for the Board in late fall/early winter.

If you would like to join the subcommittee, please contact Faith.

CLOSING REMARKS

Faith provided a few closing remarks:

- Thank you to Tedd Kelleher and Leslie Price for taking the lead on the Needs Study.
- On behalf of AHAB and the Policy Advisory Team, congratulations to Janet Masella and the entire Housing Trust Fund team on a job well done. Despite a challenging year, they were successful with their round of allocations.
- Please watch your email for the draft Annual Report from Cary.

MEETING ADJOURNED 2:40pm

Future items:

- **Legislative session**
- **Needs assessment**
- **Growth Management Guidance for cities and counties**

Next Meeting: **Wednesday, February 27, 2013**
 10:00am to 1:00pm
 Location to be determined